

January 25, 2011

Representative Bill Beck, Chairman
Joint Appropriations Subcommittee on General Government
Montana House of Representatives
PO Box 200400
Helena, MT 59620-0400

Re: Workforce Training Grant Program

Dear Representative Beck and Members of the Subcommittee:

Montana's Workforce Training Grant Program is a vital component of the State's economic development effort. The program is performance based, with funding provided as reimbursement for costs related to training employees. No funds are awarded until jobs are created. When dealing with companies looking to locate in Montana or considering expanding, our organization will recommend the Workforce Training Grant Program. We always receive a positive response from employers and even national site location consultants. In the economic development world, we often have to provide information to prospects that assures them they will be able to hire workers with the necessary skills. The Workforce Training Program enables us to provide that assurance, which helps make Montana competitive for companies considering a location in our State. It is also a strong incentive for Montana-based companies that are looking to expand their operations.

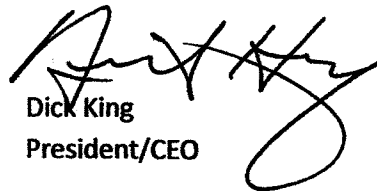
The program is also a great investment for the State of Montana. State funds spent to train employees are, first and foremost, an investment in Montana workers. Secondly, the program provides a return on this investment to the State of Montana. In 2006, DirecTV selected Missoula as the location for a new customer service and tech support center. The facility took its first call in August 2006 and by early 2007 the company's employment reached close to 1,000 workers. The company received \$1.9 million in assistance from the Workforce Training Grant Program. Eighteen months after the center opened, the State of Montana earned \$1.9 million in personal income tax revenue from DirecTV's in-state employees. Every dollar of personal income tax paid by DirecTV employees to the State of Montana since February 2008 represents a return on the original investment.

But Montana's Workforce Training Grant Program has helped small businesses as well. In the past year, Goomzee, a software development company in Missoula, received \$85,885 from the program and created 19 high paying jobs. Pyramid Mountain Lumber in Seeley Lake received \$94,000 and created 20 new jobs. Two other Missoula companies, Advanced Technology Group and Sustainable Building

Systems, have applications pending for \$125,000 and \$70,000 respectively, and will create 31 new jobs and re-train 8 existing employees with this assistance. Finally, InterMedia Outdoors, which owns a film production facility in Missoula, has been approved for \$722,000 in assistance from the Workforce Training Grant Program. The company is considering relocating its other operations to Montana and would create 49 new high quality jobs and re-train another 36 Montana workers.

In short, Montana's Workforce Training Grant Program is a proven and cost-effective means of helping employers create jobs. It is also a crucial component in local efforts to recruit new companies to the State. We urge the Subcommittee to recommend funding for the program at the current level. A reduction in funding will cripple economic development efforts across the State. And, we need to remember, that the Program provides an outstanding return on investment to the State's General Fund.

Thank you,



Dick King
President/CEO